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We are responding to your letter dated January 21, 2015 regarding the Committee's 2014 October Quarterly Report. As we have explained to you by telephone, this letter inexplicably was electronically routed to a general "spam quarantine" destination of the email system of the organization that hosts the Committee email address that is listed on the Committee's Statement of Organization, and the Committee did not discover the letter until March 26. Accordingly, the Committee did not file its amended October Quarterly Report on January 28, 2015, in consideration of your letter.

We first respond with respect to the independent expenditures, totaling \$16,206.95, involving the following payees:

AFSCME Special Account
 AFT Michigan General Fund
 AFT Solidarity 527
 Committee on Letter Carriers Political Education
 Michigan Nurses Association General Account
 National Air Traffic Controllers Association Political Action Committee (aka NATCA PAC)
 Retail, Wholesale and Department Store Union International Treasury Account
 UFCW International Union Working Families Advocacy Project
 USW Works
 Voices of the American Federation of Government Employees

All of the independent expenditures to these payees were "in-kind independent expenditures" that the Committee reported under an interpretation of 11 C.F.R. § 104.13(a)(12), which provides: "Except for items noted in 11 CFR 104.13(b) [?] [c] contributions of stocks, bonds, art objects and other similar items to be liquidated? each in-kind contribution shall also be reported as an expenditure at the same usual or normal value and reported on the appropriate expenditure schedule, in accordance with 11 CFR 104.3(b).? This regulation, then, requires an offsetting disbursement entry on Form 3X for every in-kind contribution that a committee receives during the same reporting period. However, the Committee's application of this regulation did not reflect that the Federal Election Commission ("Commission") has long maintained an interpretative rule that requires all in-kind expenditures to be reported as a Line 21(b) operating expenditure.

That interpretative rule exists in several official Commission publications. The first is its Campaign Guide for Nonconnected Committees (2008). The Federal Election Campaign Act ("the Act") states that the Commission shall "prepare, publish, and furnish to all persons required to file reports and statements under this Act a manual recommending uniform methods of bookkeeping and reporting." 52 U.S.C. § 30111(a)(2). The Commission identifies its Campaign Guides as "compliance manuals for committees registered with the FEC." <http://www.fec.gov/info/publications.shtml> (emphasis added). And, the guide for nonconnected committees like Workers' Voice instructs:

[T]he value of the in-kind contribution [received] must be reported as an operating expenditure on Line 21(b) (in order to avoid inflating the cash-on-hand amount). 104.13(a)(2). If the in-kind contribution must be itemized on Schedule A, then it must also be itemized as an operating expenditure on Schedule B for operating expenditures. See the illustration at right.

Id. at 58 (footnote omitted). The Campaign Guide for Corporations and Labor Organizations, at p. 55, contain nearly identical instructional language, including the citation to § 104.13(a)(2). This, then, is an interpretative rule that binds the Commission unless and until the Commission changes it.

The second publication that establishes this interpretative rule is the instructions for Form 3X itself. The Act directs the Commission to "prescribe rules, regulations, and forms to carry out the provisions of this Act." 52 U.S.C. § 30111(a)(7) (emphasis added). The Form 3X instructions direct: "Each contribution in-kind must also be reported in the same manner as an operating expense on Schedule B and included in the total for "Operating Expenditures."? Instructions for Form 3X and Related